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SIERRA PACIFIC ELECTRIC CO.

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SIERRA PACIFIC ELECTRIC CO.

NEVADA AND CALIFORNIA

1000
\$1,100,000 SIX PER CENT. CUMULATIVE PREFERRED STOCK

AND

\$550,000 COMMON STOCK

In "Blocks" of

10 Shares (Par \$100 each) Preferred Stock }
5 Shares (Par \$100 each) Common Stock } For \$950

Dividends are being paid quarterly on the Preferred Stock
February 1, May 1, August 1, November 1

Sierra Pacific Electric Company owns all the stocks of the companies which do the entire electric lighting and power business in the cities and towns of Reno, Sparks, Virginia City, Carson City, and Silver City, Nevada, and in the surrounding important mining and irrigation districts of Western Nevada. These companies also do the entire gas business in Reno, Sparks, and Carson City, and supply water for domestic purposes in Reno and Sparks; also a very considerable power business with mines and mills, including some of those located on the well-known Comstock lode and in the Yerrington copper district.

IMPORTANT FEATURES OF THIS OFFERING

1. Present earnings are substantially in excess of preferred stock dividend requirements and should increase materially with the development of additional water powers.
2. The present developed water power amounts to 7,300 horse-power, which is insufficient to supply the increasing demand for electric power.
3. A new plant of 9,000 horse-power capacity will be constructed at once. There is already a demand for a substantial amount of this additional power.
4. Extensive lands and rights are owned, in addition to those now utilized, which, together with other lands and rights that can be acquired, will enable further development of water power, from time to time, to meet increasing demands. It is estimated that ultimate developments aggregating 150,000 horse-power are available.
5. The introduction of electric power at reasonable rates into a territory where the cost of generating power by steam is very high, is causing a steady increase in the demand for the cheaper power.
6. The territory served and surrounding country are increasing steadily in population.

This Company is under the management of our organization.

We offer and recommend the above "blocks," and refer to the following pages for further particulars

STONE & WEBSTER147 Milk Street
BOSTONNEW YORK
5 Nassau StreetCHICAGO
604 First Nat. Bank Bldg.

SIERRA PACIFIC ELECTRIC CO.

CAPITALIZATION

STOCK: (Shares \$100 par).		Authorized	Outstanding
Preferred, 6% cumulative	Dividends payable quarterly, Feb. 1, May 1, Aug. 1, and Nov. 1. Redeemable at 115 and accumulated dividends. Preferred as to dividends and in case of liquidation.	\$3,500,000	\$3,500,000
Common		8,000,000	8,000,000

BONDS:

No bonded indebtedness.

NOTE.—There are authorized and outstanding an aggregate of \$750,000 6 per cent. sinking fund bonds of Subsidiary Companies, which bonds are a lien on only a part of the total properties. These Companies have no further debt other than current operating accounts.

EARNINGS AND EXPENSES

(Combined Companies)

For the 12 Months Ending April 30, 1910

Gross Earnings	\$540,499.71
Operating Expenses	191,266.16
Net Earnings	\$349,233.55
Interest Charges and Taxes	62,030.99
Balance	\$287,202.56
Sinking Fund	7,500.00
Balance	\$279,702.56
Dividends on \$3,500,000 6 per cent. Preferred Stock require	210,000.00

It is conservatively estimated that earnings applicable to dividends will be increased by more than \$100,000 by the development of the 9,000 horse-power plant about to be constructed. A large part of the cash for this development is now in the Treasury of the Company.

Engineers' reports on other large water powers, for which some of the necessary property and rights have already been acquired, show that these powers can be developed on a profitable basis as the demand grows.

TERRITORY SERVED AND MARKET

Western Nevada has been well known for many years as a copper and gold mining district. The mining industry has recently received an added impetus due to the successful mining of low grade ores by the use of electric power. The introduction of electrical energy has created a demand for power which the local companies are at present unable to supply and is causing a steady increase in the number of hands employed at the mines.

Of equal importance with the mining development is the great increase of irrigation in this district. The United States Reclamation Service, through the Truckee-Carson Project, plans to irri-

Sierra Pacific Electric Co. and Subsidiary Companies

REPORT FOR MONTH OF

	Oct., 1910.	Oct. 1909.	Increase.
Gross Earnings	\$49,206.49	\$45,283.07	\$3,923.42
Operating Expenses	13,844.88	18,930.24	5,085.36*
Net Earnings	\$35,361.61	\$26,352.83	\$9,008.78
Interest Charges and Taxes	5,394.90	5,081.88	313.02
Balance	\$29,966.71	\$21,270.95	\$8,695.76
Bond Sinking Fund	625.00	625.00	—o—
Balance	\$29,341.71	\$20,645.95	\$8,695.76

REPORT FOR 12 MONTHS ENDING

	Oct. 31, 1910.	Oct. 31, 1909.	Increase.
Gross Earnings	\$556,520.93	\$519,405.72	\$37,115.21
Operating Expenses	188,017.85	194,025.61	6,007.76*
Net Earnings	\$368,503.08	\$325,380.11	\$43,122.97
Interest Charges and Taxes	62,150.08	63,540.03	1,389.95*
Balance	\$306,353.00	\$261,840.08	\$44,512.92
Bond Sinking Fund	7,500.00	7,500.00	—o—
Balance	\$298,853.00	\$254,340.08	\$44,512.92

*Decrease.

CONSOLIDATED STATEMENT OF FINANCIAL CONDITION

October 31, 1910.

ASSETS		LIABILITIES	
Property of		Common Stock	\$8,000,000.00
Constituent Companies	\$12,951,281.01	Preferred Stock	3,500,000.00
Materials and Supplies	26,118.13	Outstanding Stock	
Advance Payments	2,929.56	Subsidiary Company	5,500.00
Bills Receivable	132,365.58	Bonds—Reno Power,	
Sinking Fund Investments	61,903.51	Light and Water Co.	750,000.00
Suspense	6,595.13	Bills Payable	24,266.19
Cash	449,684.02	Bills Not Yet Due	74,638.97
		Suspense	47,891.20
		Bond Sinking Fund	61,903.51
		Replacement Reserve	38,000.00
		Reserves and Surplus	1,128,677.07
	<u>\$13,630,876.94</u>		<u>\$13,630,876.94</u>

CONDENSED MONTHLY REPORT

OF

Sierra Pacific Electric Co.

AT

RENO, NEVADA

OCTOBER, 1910

STONE & WEBSTER

BOSTON
STONE & WEBSTER BUILDING
147 MILK STREET

NEW YORK
5 NASSAU STREET

CHICAGO
FIRST NAT. BANK BLDG

gate over 200,000 acres of land, about forty miles from Reno, of which 32,000 acres were irrigated in 1909. This Project, together with the mining developments referred to above, should cause a still further growth in the City of Reno, already the largest city in Nevada and the natural commercial centre. Reno, situated on the main east and west line of the Southern Pacific Railway, with other roads running north and south, enjoys railroad facilities far superior to those of any other city in the State.

At Sparks, about three miles east of Reno, the Southern Pacific Railway shops, recently established, have been the cause of a very substantial increase in population.

The total population served by the Company is estimated at 32,000.

The lighting and power business in this growing territory will, it is expected, justify the development in the near future of some of the large powers now partially controlled.

PROPERTY AND FRANCHISES

The local companies at the present time own and operate four hydro-electric plants located at different points on the Truckee River, having a combined capacity of 7,300 horse-power. 135 miles of high tension lines are now used in transmitting the power, and, in addition, complete distributing systems are installed in communities served.

The gas and water plants at Reno and the gas plant at Carson City are of sufficient capacity to take care of substantial increases in business.

The franchises of the local companies are adequate and either have no time limitation or run for 25, 50 or 99-year periods.

The local companies own in fee the lands on which are located the various plants now in operation and the water rights connected therewith; also certain private rights-of-way for transmission lines, flumes, etc., necessary for their business.

In addition to the present substantial going business the local companies also own certain lands for reservoir purposes on the east and west slopes of the Sierra Nevada Mountains which, together with the rights already owned and in use, are of great value in connection with the future development of water powers aggregating about 150,000 horse-power.

LEGALITY

The legal matters pertaining to the organization of the Sierra Pacific Electric Company and the issuance of its securities have been examined and approved by Messrs. Gaston, Snow & Saltonstall, Attorneys, Boston, Mass.

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